

To: Jan Christensen
Intermountain Power Service Corp

Fax: 435 864 6670
cc: Steve Klein

Your Ref: Contract No. 04-45605
Our Ref: GD70107
Project: Unit 1 ID Fans Adjustable Speed Drives

Subject: Our Mtg of April 29, 2004 – Future Release
Pricing

From: Gary Smith
Director
Industrial
Tel: 412 967 5912
Fax: 412 967 5326
Email: gary.smith@powerconv.alstom.com

Date: May 7, 2004
No. of Pages: 1 of 5

Good Morning Jan,

Referencing our meeting of April 29, 2004, attached is pricing and payment information requested in our meeting.

If you have any questions, please contact me.

Power Conversion

May 6, 2004

Intermountain Power Services Corporation
 850 West Brush Wellman Road
 Delta, UT 84624-9546

Attention: Mr. Jon Christensen
 Subject: Your Contract No. 04-45605
 Our Ref: Our GD70107

Dear Mr. Christensen:

Referencing our meeting April 29, 2004, we had an outstanding item regarding pricing on future drive system releases.

Referencing your contract section PART C - DIVISION C2 BIDDING DOCUMENTS - PROPOSAL SCHEDULE, the pricing provided (copy attached) is still valid with the following comments:

1. As discussed in our April 29, 2004 meeting, the attached pricing includes:
 - Rearranging of the regulator components with possible movement of the SIGMA keypad to the door
 - Supply and machine termination supports and modifications
 - Enlargement of panel bolt holes with appropriate washers
 - Back panel lifting handles
 - Ground bus and conduit rerouting
 - Switch termination height modifications
 - Replacement of analog isolators
2. The release date for the next two units would be extended to May 21, 2004.

During our meeting, we discussed the possibility of IPSC releasing all seven drives. The seven drives would have delivery requirements of:

- | | |
|-----------|--|
| 2 Units - | February 2005 (By IPSC) |
| 3 Units - | Between October 2005 and February 2006 (by IPSC) |
| 2 Units - | October 2006 (Proposed by ALSTOM) |

Based on the above release schedule, a proposed payment schedule is attached.

PART C - DIVISION C2**BIDDING DOCUMENTS - PROPOSAL SCHEDULE**

Proposal is hereby made to furnish and deliver to IPSC up to eight (8) Induced Draft Fan Medium Voltage Variable Frequency Drive Systems, F.O.B., IPP Plant Site, 850 West Brush Wellman Road, Delta, UT 84624, in accordance with Specifications 45605, the following

Lump Sum Price For One (1) Complete Drive System For One (1) ID Fan Delivered In January 2004	
<u>Price in Words:</u> Six Hundred Seven Thousand Seven Hundred Ten Dollars	<u>Price in Dollars:</u> \$ 607,710*
Lump Sum Price For Two (2) Complete Drive Systems For Two (2) ID Fans Delivered In January 2005	
<u>Price in Words:</u> One Million Seventeen Thousand Four Hundred Twenty Dollars	<u>Price in Dollars:</u> \$1,017,420*
Lump Sum Price For Three (3) Complete Drive Systems For Three (3) ID Fans Delivered In January 2006	
<u>Price in Words:</u> One Million Four Hundred Eighty-Six Thousand One Hundred Thirty Dollars	<u>Price in Dollars:</u> \$1,486,130*
Lump Sum Price For Two (2) Complete Drive Systems For Two (2) ID Fans Delivered In January 2007	
<u>Price in Words:</u> One Million Twenty-Six Thousand Four Hundred Twenty Dollars	<u>Price in Dollars:</u> \$1,026,420*
Sigma Synchdrive Training at Alstom's office in Pittsburgh, PA for a Maximum of Six (6) People for Four (4) Days.	
<u>Date:</u> To Be Determined	<u>Price in Dollars:</u> \$ 9,250*
Latest Date for IPSC To Exercise Option To Purchase Two (2) Complete Drive Systems In January 2005	
<u>Date:</u> April 30, 2004	
Latest Date For IPSC To Exercise Option To Purchase Three (3) Complete Drive Systems In January 2006	
<u>Date:</u> February 29, 2005	
Latest Date For IPSC To Exercise Option To Purchase Two (2) Complete Drive Systems In January 2007	
<u>Date:</u> March 31, 2006	

*Cost includes changes agreed to through negotiation for States terminal blocks and additional training offered.

Intermountain Power Service Corporation
 Contract No. 04-45605
 Payment Schedule for New Releases
 Seven Drives Total

<u>Event</u>	<u>Date</u>	<u>Percent Total</u>
Placement Major Vendor Orders (Reg., Cabinets, Switches)	7/2004	10%
Initial Assembly Two Units	10/2004	5%
Delivery Two Units	1/2005	17%
Startup Two Units	3/2005	
Final Acceptance Two Units	5/2005	2%
Initial Assembly One Unit	7/2005	5%
Initial Assembly One Unit	9/2005	5%
Initial Assembly One Unit	11/2005	5%
Delivery One Unit	10/2005	6%
Delivery One Unit	12/2005	8%
Delivery One Unit	2/2006	8%
Startup Three Units	3/2006	
Final Acceptance Three Units	5/2006	3%
Initial Assembly Two Units	7/2006	5%
Delivery Two Units	10/2006	17%
Startup Two Units	3/2007	
Final Acceptance Two Units	5/2007	2%

*** TOTAL PAGE.05 ***

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ALSTOM

As a result of our meeting, we would like to propose pricing for seven drives including all the required commissioning time and expenses. Our total price for seven drives would be \$3,570,000. The payment and shipping schedules would be per the previous page.

If you have any questions regarding this information, please contact me or in my absence, Steve Klein.

Sincerely,


Gary Smith

cc: Steve Klein

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